

Senate File 466

S-3190

Amend Senate File 466 as follows:

1. By striking everything after the enacting clause and inserting:

<Section 1. NEW SECTION. 103A.71 **Residential contractors.**

1. As used in this section:

a. "*Catastrophe*" means a natural occurrence including but not limited to fire, flood, drought, earthquake, tornado, windstorm, or hailstorm, which damages or destroys residential real estate.

b. "*Residential contractor*" means a person in the business of contracting to repair or replace roof systems or perform any other exterior repair, exterior replacement, or exterior reconstruction work resulting from a catastrophe on residential real estate or a person offering to contract with an owner or possessor of residential real estate to carry out such work.

c. "*Residential real estate*" means a new or existing building, including a detached garage, constructed for habitation by one to four families.

d. "*Roof system*" includes roof coverings, roof sheathing, roof weatherproofing, and roof insulation.

2. A residential contractor shall not advertise or promise to rebate any insurance deductible or any portion thereof as an inducement to the sale of goods or services. A promise to rebate any insurance deductible includes granting any allowance or offering any discount against the fees to be charged or paying an insured or a person directly or indirectly associated with the property any form of compensation, except for items of nominal value. A residential contractor may display a sign or other advertisement on a person's residential property provided that the person consents to the display and the person receives no compensation from the residential contractor for the placement of the sign or advertising.

3. A person who has entered into a written contract with a residential contractor providing goods or services to be paid from the proceeds of a property and casualty insurance policy may cancel the contract prior to midnight on the earlier of the third business day after the person has received written notice from the person's insurer that all or part of the claim or contract is not a covered loss under the insurance policy or the thirtieth business day after receipt of properly executed proofs of loss by the insurer from the insured. Cancellation shall be evidenced by the person giving written notice of the cancellation to the residential contractor at the address of the residential contractor's place of business as stated

1 in the contract. Written notice of cancellation
2 may be given by delivering or mailing a signed and
3 dated copy of the written notice of cancellation
4 to the residential contractor at the address of the
5 residential contractor's place of business as stated in
6 the contract. The notice of cancellation shall include
7 a copy of the written notice from the person's insurer
8 to the effect that all or part of the claim or contract
9 is not a covered loss under the insurance policy.

10 Notice of cancellation given by mail shall be effective
11 upon deposit into the United States mail with prepaid
12 postage, if properly addressed to the residential
13 contractor. Notice of cancellation need not take
14 a particular form, and is sufficient if the notice
15 indicates, by any form of written expression, the
16 intent of the insured not to be bound by the contract.

17 4. Before entering into a contract to provide goods
18 or services to be paid from the proceeds of a property
19 and casualty insurance policy, a residential contractor
20 shall provide the insured along with the contract
21 all of the following documents in substantially the
22 following form:

23 a. The following statement in at least ten-point
24 bold type:

25 **RIGHT OF CANCELLATION**

26 You may cancel this contract at any time prior to
27 midnight on the earlier of the third business day
28 after you have received written notification from your
29 insurer that all or any part of the claim or contract
30 is not a covered loss under your insurance policy or
31 the thirtieth business day after your insurer has
32 received properly executed proofs of loss from you.
33 See the attached notice of cancellation form for an
34 explanation of this right.

35 b. A fully completed duplicate form which shall
36 accompany the contract, shall be easily detachable, and
37 which shall contain the following statement in at least
38 ten-point bold type:

39 **NOTICE OF CANCELLATION**

40 You may cancel the contract by mailing or delivering
41 a signed and dated copy of this cancellation notice
42 or any other written notice of cancellation to (name
43 of contractor) at (address of contractor's place of
44 business) at any time prior to midnight on the earlier
45 of the third business day after you have received
46 notice from your insurer that all or any part of the
47 claim or contract is not a covered loss under your
48 insurance policy or the thirtieth business day after
49 your insurer has received properly executed proofs
50 of loss from you. If you cancel the contract, any

